

Message Text

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ORIGIN NEA-10

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FM SECSTATE WASHDC
TO AMEMBASSY JIDDA PRIORITY
INFO AMEMBASSY AMMAN PRIORITY
SECDEF
CHUSMTM DHAHRAN

C O N F I D E N T I A L STATE 024113

E.O. 11652: GDS

TAGS:MASS, JO, SA, US

SUBJECT: JORDANIAN FMS PAYMENTS

REF: JIDDA 655

1. FOLLOWING IS TEXT OF THE SAUDI (SAMA) GUARANTEE DATED
APRIL 12, 1977. THIS GUARANTEE RELATES TO THE U.S.-
JORDANIAN FMS LOAN AGREEMENT DATED MAY 26, 1976. COPIES
OF THIS GUARANTEE ARE ALSO BEING POUCHED TO DCM WILEY,
AND TO AMBASSADOR PICKERING IN AMMAN.

2. BEGIN TEXT:

FEDERAL FINANCING BANK

AS LENDING BANK (THE "BANK") UNDER THE LOAN AGREEMENT
DATED AS OF MAY 26TH, 1976 (THE "LOAN AGREEMENT") RELATING
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TO A LOAN OF UP TO US DOLS 82,500,000 TO THE HASHEMITE
KINGDOM OF JORDAN (THE "BORROWER").

C/O DEPARTMENT OF THE TREASURY
WASHINGTON, D. C., 20220
U.S.A.

APRIL 12, 1977

GUARANTEE OF PRINCIPAL AMOUNT OF LOAN UP TO US DOLS
82,500,000 TO THE HASHEMITE KINGDOM OF JORDAN

THE UNDERSIGNED, THE SAUDI ARABIAN MONETARY AGENCY ("SAMA:")
A PUBLIC CORPORATION DULY CONSTITUTED UNDER THE LAWS OF
THE KINGDOM OF SAUDI ARABIA, ACTING FOR AND ON BEHALF OF
THE KINGDOM OF SAUDI ARABIA, HEREBY COVENANTS AND AGREES
AS FOLLOWS:

1. IN CONSIDERATION OF THE BANK ADVANCING ANY MONEYS TO
THE BORROWER IN THE PRINCIPAL AMOUNT OF UP TO DOLS
82,500,000 IN PURSUANCE OF THE LOAN AGREEMENT, SAMA AS
PRIMARY OBLIGOR AND NOT AS SURETY MERELY, UNCONDITIONALLY
AND IRREVOCABLY GUARANTEES TO THE BANK AND TO EACH HOLDER
OF ANY OF THE PROMISSORY NOTES ISSUED UNDER THE LOAN
AGREEMENT (THE "NOTE") THE DUE AND PUNCTUAL PAYMENT
OF THE PRINCIPAL AMOUNT OF THE NOTE AS AND WHEN THE SAME
SHALL BECOME DUE AND PAYABLE UNDER THE RESPECTIVE TERMS
AND CONDITIONS OF THE LOAN AGREEMENT AND THE NOTES.

2. DUE AND PUNCTUAL PAYMENT HEREUNDER OF THE SAID PRIN-
CIPAL AMOUNT DUE AND PAYABLE UNDER THE NOTE SHALL BE
DEEMED TO HAVE BEEN MADE IF SAMA PAYS SUCH AMOUNT WITHIN
A PERIOD ENDING 15 DAYS AFTER NOTICE TO SAMA BY THE HOLDER
OF THE NOTE CERTIFYING THAT SUCH AMOUNT IS DUE AND PAYABLE
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AND THAT SUCH AMOUNT HAS REMAINED UNPAID FOR A PERIOD OF
10 DAYS AFTER SAID HOLDER HAS DULY MADE A WRITTEN REQUEST
UPON THE BORROWER FOR PAYMENT OF SUCH AMOUNT.

3. ALL PAYMENTS MADE HEREUNDER SHALL BE MADE FREE AND
CLEAR OF, AND WITHOUT DEDUCTION FOR OR ON ACCOUNT OF,
ANY PRESENT OR FUTURE INCOME, STAMP OR OTHER TAXES, LEVIES,
IMPOSTS, DUTIES, CHARGES, FEES, DEDUCTIONS OR WITHHOLDINGS
OF ANY NATURE NOW OR HEREAFTER APPLICABLE OR TO BE APPLIED
IN THE KINGDOM OF SAUDI ARABIA.

4. SAMA REPRESENTS THAT THE OBLIGATION OF THE KINGDOM OF
SAUDI ARABIA HEREUNDER CONSTITUTES A DIRECT AND GENERAL
OBLIGATION OF THE KINGDOM OF SAUDI ARABIA, VALID AND BIND-
ING ACCORDING TO ITS TERMS.

5. THIS GUARANTEE IS A CONTINUING GUARANTEE AND SHALL RE-
MAIN IN FORCE AND NOT BE DISCHARGED UNTIL THE PRINCIPAL
AMOUNT OF THE NOTE SHALL HAVE BEEN PAID IN FULL IN
ACCORDANCE WITH THE TERMS THEREOF. THIS GUARANTEE, HOW-
EVER, EXTENDS ONLY TO THE PRINCIPAL AMOUNT OF THE NOTE
ISSUED IN THE FORM ATTACHED HERETO OR AS AMENDED WITH THE

PRIOR WRITTEN CONSENT OF SAMA, AND ONLY INsofar AS THERE IS NO AMENDMENT, WAIVER OR CONSENT WITH RESPECT TO ANY PROVISION THEREOF WITHOUT THE PRIOR WRITTEN CONSENT OF SAMA.

6. ALL NOTICES, REQUESTS, DEMANDS, OR OTHER COMMUNICATIONS TO OR UPON SAMA SHALL BE DEEMED TO HAVE BEEN GIVEN WHEN SENT BY THE BANK OR ANY OTHER HOLDER OF THE NOTE BY TELEX ADDRESSED TO SAMA AT 40011 SAMAJED SJ JEDDAH, KINGDOM OF SAUDI ARABIA, CONFIRMED BY REGISTERED AIR MAIL LETTER ADDRESSED TO THE GOVERNOR, THE SAUDI ARABIAN MONETARY AGENCY, JEDDAH, SAUDI ARABIA, OR ANY OTHER ADDRESS OF WHICH SAMA MAY IN THE FUTURE ADVISE THE BANK BY REGISTERED LETTER.

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7. ALL DISPUTES ARISING IN CONNECTION HERewith SHALL BE SETTLED FINALLY BY ARBITRATION IN GENEVA (OR SUCH OTHER PLACE AS SAMA AND THE BANK OR ANY OTHER HOLDER OF THE NOTE MAY AGREE UPON) UNDER THE RULES OF CONCILIATION AND ARBITRATION OF THE INTERNATIONAL CHAMBER OF COMMERCE BY ONE OR MORE ARBITRATORS APPOINTED IN ACCORDANCE WITH SAID RULES.

SAUDI ARABIAN MONETARY AGENCY

/SIGNED/

FOR AND ON BEHALF OF THE
KINGDOM OF SAUDI ARABIA

END TEXT. VANCE

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NNN

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